

REPORT-OUT ON ISSUES DISCUSSED AT THE THIRD-PARTY/CPUC DEBRIEFING CONFERENCE

**FEBRUARY 5 & 6, 2003
SAN FRANCISCO CPUC AUDITORIUM**

The Debriefing Conference Provided a Forum for Discussion

The overall goal of the debriefing conference was to provide a forum for Third-Party energy efficiency implementers to present their programs and discuss specific implementation issues with CPUC staff.

An ancillary goal was to facilitate communication amongst Third-Party providers as a means of helping provide cross-program integration, where applicable, and thereby strengthen the Third-Party provider network.

The Conference identified and/or Addressed Key Implementation Issues

Prior to the conference, Third-Party providers were asked to identify specific issues that they wished to discuss with CPUC staff at the Conference. Attachment 1 provides a list of issues and the Third-Party provider offering the issue for discussion.

From the Attachment 1 list, Commission staff identified eleven issue groupings for discussion at the conference. Below, we list each of the issue groupings and provide highlights of the results of the discussion. We note that staff's goal at the conference was to not only identify key issues, but also to address (seek closure) on as many of these as possible.

The list below identifies both those issues on which staff felt closure was reached, and those that staff noted for consideration in the future, but on which staff made no specific commitments.

Issues:

- Reporting
- EM&V
- Continuity of Third-Party Program Funding and Administration
- Role of Third-Party Administrator
- Overlap of IOU and non-IOU programs; Cross-program integration
- Access Agreement
- Sempra Lawsuit
- Desire to shift funds into "innovative and successful" activities
- Using the IOU and CPUC logos on marketing materials
- Delays in contract signing, delay program start-up
- Challenge of being a state entity implementer

TOPIC A: REPORTING ISSUES

- Unwieldy reporting requirements;
- Options for eliminating or reducing monthly progress reporting (excessive reporting)

Resolution/Conclusions

After some discussion that noted the need for the reports to both administer the programs and to better understand program expenditure and energy savings patterns, the group consensus was to:

1. Maintain current monthly reporting format; Provider need only print out the first two worksheet of the quarterly workbook
2. CPUC to be sensitive to Provider costs/difficulties in having to make changes to accommodate new reporting format
3. Marketing material: No need to send materials with both monthly and quarterly reports. Send new material with whichever monthly or quarterly report closest to the new material creation.
4. Other issues identified:
 - a. Use of meter numbers to verify customers in IOU territory rather than customer account number/IOU should cross check meter numbers with account numbers
 - b. Definition of “commitment” in the contract
 - c. Need for cooperation from IOUs to verify demand history.

TOPIC B: EM&V ISSUES

- Contracting between program implementers and subcontractors, especially EM&V providers;
- It is important to have clear rules governing the contracting procedures before the process begins;
- Establishing EM&V standards for local programs;
- Selection issues;
- Evaluation component.

Resolution/Conclusions

1. Goal of EM&V process is to find out what happened, accomplishment of goals for Third party final payment.
2. For the verification portion of the EM&V activities performed on energy efficiency programs the data collection should be performed by the independent EM&V contractor in order to maintain an unbiased collection of data. One of the main purposes of the EM&V of local programs is an independent verification of program activities claimed by Third-party implementers.

3. ED will make a conscientious effort to make public program specific issues that come up that could be beneficial to all programs.
4. ED fully understands there is a great need to develop stronger standards for EM&V work and reporting.
5. ED will allow Third Parties to work with their current EM&V budget and recognize that they can only do so much with a given budget.

TOPIC C: CONTINUITY OF Third-PARTY PROGRAM FUNDING AND ADMINISTRATION ISSUES

- Fate Third Party Local Programs for 2004;
- Rollover of unspent fund;
- Another solicitation

Resolution/Conclusion

Staff supports another solicitation in 2004, but everything is at the discretion of the Commission.

TOPIC D: OVERLAP OF IOU AND NON-IOU PROGRAMS; CROSS-PROGRAM INTEGRATION ISSUES

- What about fund shifting of unsuccessful programs to successful ones?
- IOU programs do not complement Third Party Programs but Third Party Programs should reference IOUs', why?

Resolution/Conclusion

Attendees generally liked this conference type of forum for exchange, and more networking opportunities. But would like to see a map of all programs, by service area to see any overlapping of programs, and also would like to have an email list of all Third party program implementers.

TOPIC E: ACCESS AGREEMENT ISSUE

- IOU access agreement portion of the contract could be a deal killer sometimes, and a substantial barrier to Third Party Programs.

Resolution/Conclusion

Access agreement protects IOUs, CPUC, customers and Program Implementers. It's basically so that customers know what they are getting into. It can be customized to a simpler form. Just need to work it out with the IOU.

TOPIC F: SEMPRA LAWSUIT ISSUE

Resolution/Conclusion

It's in the courts. PUC has nothing to say about it.

TOPIC G: FUND SHIFT ISSUE

- Shifting of funds from unsuccessful programs into innovative and successful activities.

Resolution/Conclusion

PUC has been flexible on a case-by-case basis within a specific program. However, as for shifting funds from one program to another, who's to determine which program is considered not successful? PUC would prefer that program implementer makes modifications within a program to make it better.

TOPIC H: USING THE IOU AND CPUC LOGOS ON MARKETING MATERIALS ISSUE

- Would think this would add to program credibility.

Resolution/Conclusion

Contract Agreement specifies what can and cannot be used in marketing and advertising materials.

TOPIC I: DELAYS IN CONTRACT SIGNING, DELAY PROGRAM START-UP ISSUE

- Delays in contract signing lead to delay in program start-up;
- Delay time has shorten program's ability to meet set goals;
- Would the Commission allow for time extension?

Resolution/Conclusion

December 31, 2003 is the deadline for committed funds. There's some time allotted for "mopping-up". But any extension of time for Third Party Programs would be at the discretion of the Commission.

TOPIC J: CHALLENGE OF BEING A STATE ENTITY IMPLEMENTER ISSUE

- Difficult to contract under a utility.

Person raising the concern was not present.

TOPIC K: HARD TO REACH ISSUE

- IOUs don't have to do HTR?
 - IOUs have to do it in their statewide programs.

TOPIC L: DOUBLE-DIPPING ISSUE

- Don't' want customers to receive rebates for the same measures.

ATTACHMENT

Summary of Issues Brought up by TPP

Daniel Meek, Attorney and Consultant

1. Continuity of funding for Third Party Programs (TPPs)
2. Establishing non-IOU administration of TPPs

LA County Internal Services Department

1. Option of eliminating the monthly progress reports (Excessive reporting)

Cal State University

1. CPUC to address status and potential impact of the Sempra utility's lawsuit to local program implementers filed with CA Superior Court Case No. 411393 for validation of the EE contracts between Third parties and utilities.
2. Eliminate monthly reporting
3. Regarding contracting between program implementers and subcontractors, especially EM&V providers, it is important to have clear rules governing the contracting procedures before the process begins. How will the PUC address this?

ICF Consulting

1. Access Agreement – too intimidating for our clients, condense it or eliminate it.
2. Delay in getting contract signed delays program by several months
3. Prefer to use PG&E's and CPUC's name or logo in marketing materials.
4. CPUC may fund program with a contractor who has little experience in an area where others have spent years developing partnerships and experience. It is redundant and inefficient then to grant a new contractor with less or no experience money to do the same thing that others have spent years doing.

Rita Norton and Associates

1. PIP and corrections- recommendations for process to streamline mid course adjustments if needed to deliver results
2. Need for greater cross program integration to better serve customers
3. Who should administer the programs?

Heschong Mahone Group

1. Amount of potential implementation time consumed by overly bureaucratic reporting requirements.
2. Desire for greater flexibility within CPUC to shift funds into successful innovative activities.

Ecology Action of Santa Cruz

1. Budget formatting and reporting

SBW Consulting

1. CPUC plans for continuing local programs beyond 2003.
2. Establishing EM&V standards for local programs.

San Diego Regional Energy Office

1. Role for Third Party administrators in 2004-2012.
2. Resolution of overlap of IOU/non-IOU programs.

Alliance to Save Energy

1. Evaluation Component

Local Government Commission

1. Unwieldy reporting requirements.

State Consumer Services Agency

1. EM&V selection issues
2. The challenges of being a state entity as a program implementer.

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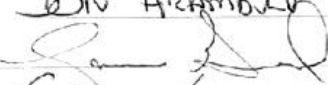
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